

PACIFIC GAS AND ELECTRIC COMPANY

REQUEST FOR PROPOSALS

FOR THE

CROSS-CUTTING

DEMAND REDUCTION SOLICITATION

**BIDDER'S MANUAL
AND APPENDICES**

TABLE OF CONTENTS

1.0	INTRODUCTION	1
2.0	DEFINITIONS	2
3.0	PROGRAM AND BIDDER ELIGIBILITY REQUIREMENTS	3
4.0	RFP CONTACT PROCEDURES	4
	A. CONTACT PROCEDURE	4
	B. QUESTIONS AND CLARIFICATIONS	4
5.0	RFP SCHEDULE AND PROCEDURES	5
	A. SCHEDULE	5
	B. SUBMISSION REQUIREMENTS	6
	C. PROPOSAL SUBMISSION AND DELIVERY ADDRESS	11
	D. ERRORS OR OMISSIONS IN PROPOSAL PACKAGES	11
	E. VERIFICATION OF RECEIPT OF PROPOSAL PACKAGE	11
	F. PROPOSALS NOT CONFIDENTIAL	11
	G. PROPOSALS PREPARATION COSTS	12
	H. RFP WITHDRAWAL	12
6.0	EVALUATION CRITERIA	12
7.0	CONTRACT NEGOTIATIONS	13
8.0	CONTRACTOR VALUES	13
9.0	NON-DISCLOSURE AGREEMENT	14
10.0	NON-EXCLUSIVITY	14

ATTACHMENTS

- ATTACHMENT 1: COMPANY INFORMATION**
- ATTACHMENT 2: REFERENCES**
- ATTACHMENT 3: LICENSE AND INSURANCE INFORMATION**
- ATTACHMENT 4: PROPOSAL DESCRIPTION/SUPPLEMENTAL INFORMATION**
- ATTACHMENT 5: PROPOSED SCOPE OF WORK**
- ATTACHMENT 6: PEAK DEMAND REDUCTION CALCULATION TEMPLATE**
- ATTACHMENT 7: PROPOSED MEASUREMENT AND EVALUATION PLAN**
- ATTACHMENT 8: COST-EFFECTIVENESS INPUT VALUE TEMPLATE**
- ATTACHMENT 9: PERFORMANCE INCENTIVE MECHANISM TEMPLATE**
- ATTACHMENT 10: SUPPLIER DIVERSITY PROGRAM**
- ATTACHMENT 11: REQUESTED EXCEPTIONS TO PG&E'S CONSULTING SERVICES GENERAL CONDITIONS**
- ATTACHMENT 12: SIGNATURE PAGE**

EXHIBITS

- EXHIBIT 1: PG&E'S CONSULTING SERVICES GENERAL CONDITIONS**
- EXHIBIT 2: CONTRACTOR VALUE**
- EXHIBIT 3: PG&E'S NON-DISCLOSURE AGREEMENT**

1.0 INTRODUCTION

California is facing electricity generation shortages and increasing electricity demands. PG&E's Cross-Cutting Demand Reduction Solicitation seeks proposals that will achieve electric Peak Demand Reductions by May 1, 2001 to help mitigate electric generation shortages and transmission and distribution constraints. Although Bidders and proposals must meet certain threshold requirements to be eligible for funding, PG&E seeks to fund multiple proposals that will achieve the greatest kilowatt (kW) savings no later than May 1, 2001, and that will last at least through October 31, 2001.

A. Regulatory Context and Budget For This Solicitation

PG&E is issuing this solicitation under existing regulatory authority conferred through the PG&E Program Year 2000 filing (PG&E's Application for 2000/2001 Energy Efficiency Programs (Application No. 99-09-050)). PG&E is seeking additional funding through comments it filed at the California Public Utilities Commission (CPUC) on July 21, 2000 in A.99-09-050 as part of the Summer 2000 Energy Efficiency Initiative. The CPUC is expected to rule on the Summer 2000 Energy Efficiency Initiative filing no later than August 21, 2000, which is before responses to this solicitation are due. PG&E's current budget to fund this solicitation is: \$3.1 million for Business Energy Management (BEM) proposals; \$200,000 for New Construction (NC) proposals, and \$2 million for Residential Energy Management (REM) proposals. In the July 21 filing, PG&E seeks authority to increase the budget by \$11.3 million. PG&E proposed that the increased budget not be allocated to particular market sectors. PG&E is already authorized to spend the listed amounts for BEM, NC, and REM. It does not yet have the regulatory authority to spend the \$11.3 million. PG&E hopes to receive such authority by August 21. Parties may submit proposals covered by the \$11.3 million, but do so at their own risk.

This solicitation is funded through Public Goods Surcharge funds authorized by AB 1890. Under AB 1890, PG&E may only fund proposals for cost-effective Energy Efficiency and conservation programs (Public Utilities Code section 381(b)(1)). To qualify as an Energy Efficiency program, a program must result in kWh reductions, and not merely shift kWh usage from peak periods to non-peak periods. As described further below, PG&E may not fund "pure" load management programs or supply-side resources under AB 1890 with Public Goods Surcharge funds. "Pure" load management programs are distinct from energy efficiency programs in that they shift kWh usage from peak to non-peak periods. "Pure" load management programs help mitigate peak generation shortages, but do not result in overall kWh savings, so thus are not eligible for funding under this solicitation. However, Bidders are invited to submit Energy Efficiency proposals which also have the effect of shifting load from peak to non-peak periods. Due to the limitations in AB 1890, PG&E may not fund supply-side

resources under this solicitation, even if they have the effect of reducing kWh or shifting kW from peak to non-peak. Ineligible supply side resources include photovoltaics, back-up generation, co-generation, and fuel switching.

B. Expedited Time Table for This Solicitation

PG&E seeks to complete this solicitation on an expedited basis. Many Energy Efficiency programs and measures require several months lead time to implement. The primary goal of this solicitation is to ensure Energy Efficiency and load management measures are in place and delivering full demand savings no later than May 2001. Thus, PG&E seeks to have the contracts resulting from this solicitation in place as quickly as possible, but no later than Tuesday, October 10.

Successful bidders will be expected to fully and adequately respond within three (3) business days to any questions that PG&E has about its proposal. If, in PG&E's sole judgment, Bidder does not respond to PG&E questions or requests for further information within three (3) business days, PG&E will exclude Bidder's proposal from further consideration. Furthermore, if PG&E is unable to reach agreement with a successful Bidder about its proposal and requested contract exceptions (which includes both the specific and general conditions) within ten (10) business days from the date PG&E first submits written comments or questions to Bidder on its proposal, PG&E will exclude Bidder's proposal from further consideration. Finally, once PG&E and Bidder have agreed on all contract terms, Bidder is responsible for returning a signed copy of its contract to PG&E within three (3) business days of Bidder receiving the completed contract from PG&E, or PG&E will exclude Bidder's proposal from further consideration. **In this solicitation and the resulting contracts, TIME IS OF THE ESSENCE.**

2.0 DEFINITIONS

- A. Business Energy Management** - Facilities used for business, commercial, agricultural, institutional, and industrial purposes.
- B. Energy Efficiency** - The use of Energy Efficiency products, services, and practices or an energy-using appliance or piece of equipment to reduce energy usage while maintaining a comparable level of service when installed or applied on the customer side of the meter.
- C. Measurement and Evaluation** – The PG&E-approved Measurement and Evaluation plan, as described in Attachment 7.

- D. New Construction** - Residential and non-residential buildings that will be built or will have major additions added that are subject to Title 24, the California building code.
- E. Peak Demand Reductions** - Average kW reductions achieved during the following time period: Monday through Friday from 12:00 noon to 8:00 pm starting May 1 and ending October 31.
- F. Residential Energy Management** - Existing single family residences, multi-family dwellings (whether master-metered or individually metered), and buildings that are essentially residential but used for commercial purposes, including, but not limited to, time shares, vacation homes, etc.

3.0 PROGRAM AND BIDDER ELIGIBILITY REQUIREMENTS

Proposals that, at PG&E's sole discretion, do not meet the following Program and Bidder eligibility requirements will be disqualified.

1. Proposals shall neither duplicate nor conflict with PG&E's proposed 2000/2001 PG&E Energy Efficiency programs, including programs that PG&E filed on July 21, 2000 in the same docket (A.99-09-050). It shall be within PG&E's sole discretion to determine whether the proposals duplicate or conflict with PG&E's proposed 2000/2001 PG&E Energy Efficiency programs. PG&E's 2000/2001 Energy Efficiency Program proposals are described in Application 99-09-050, which PG&E filed at the CPUC on September 27, 1999, and which were updated on July 21, 2000. Bidders may receive a copy of this application from Sharon Stone at 415-973-4388 or view the application in PG&E's Resource Room. The Resource Room is located at the Pacific Energy Center (PEC), 851 Howard Street, San Francisco.
2. Proposals must be feasible, in PG&E's sole discretion.
3. Proposals must not be sponsored by California utilities, utility affiliates, or utility subsidiaries.
4. Proposals must be for Energy Efficiency.
5. Proposals will not be considered if they are for "pure" load management. However, PG&E will consider proposals which combine energy efficiency and load management.
6. Proposals will not be considered if they are for generation, including distributed generation, photovoltaics, back-up generation, co-generation and fuel switching.
7. Proposals will not be considered if the primary purpose is to achieve demand reductions through operations and maintenance.

8. Proposals will only be considered if they are likely to achieve, in PG&E's discretion, 200 kW Peak Demand Reduction in 2001.
9. Proposals must comply with the rules and procedures outlined in this RFP, which includes submitting all requested information.
10. In PG&E's sole discretion, Bidder must possess adequate financial strength and resources to successfully complete the proposed project. PG&E will assess financial strength and adequate resources using Bidder's submitted audited income statement and balance sheet. PG&E may request additional financial documents or information from individual bidders if, in PG&E's sole discretion, it needs such information to assess whether Bidder possesses adequate financial strength to complete the proposed project.

4.0 RFP CONTACT PROCEDURES

A. CONTACT PROCEDURE

All correspondence or contact with PG&E, including questions about this RFP, should be sent to or made with the official PG&E contact listed below, unless otherwise indicated. No interpretation, revision, or other communication regarding this RFP is valid unless received in writing and signed by PG&E's official contact. Correspondence or communications should be directed to PG&E's Official Contact as follows:

Pacific Gas and Electric Company
Attn: Sharon Stone

First Class Mail:

P.O. Box 770000, Mail Code H28E
San Francisco, CA 94177

Overnight Delivery:

123 Mission St., Room H2485
San Francisco, CA 94105

Facsimile Number:

415/973-5069

Facsimile Confirmation:

415/973-4388

B. QUESTIONS AND CLARIFICATIONS

All questions must be submitted in writing. PG&E will answer questions in writing according to the schedule given below. Bidders should confirm PG&E's receipt of faxed inquiries by calling the facsimile confirmation number.

Note to all Bidders: No telephone inquiries will be accepted.

PG&E will answer in writing all questions submitted by Bidders according to the procedures described in this section, and which are received by PG&E prior to **2:00 p.m. Pacific Daylight Time (PDT), on Friday, August 11, 2000. Questions submitted after this time will not be accepted.** PG&E will e-mail or fax all questions and answers to all Bidders by Wednesday, August 16, 2000.

5.0 RFP SCHEDULE AND PROCEDURES

A. SCHEDULE

Friday, August 11	PG&E must receive Bidder's questions by 2:00 p.m. Pacific Daylight Time.
Wednesday, August 16	PG&E will e-mail or fax responses to all questions received to all Bidders.
Friday, August 25	PG&E must receive Bidder's proposals by 2:00 p.m. Pacific Daylight Time.
Thursday, August 31	PG&E will complete bid evaluation and ranking, and will notify Bidders soon thereafter.
Tuesday, October 10	Contract negotiations with successful Bidder(s) completed and contract(s) executed.
May 1, 2001	All funded programs shall be fully operating and yielding full kW savings. All Energy Efficiency measures shall be fully installed and operating.

PG&E reserves the right to modify the above schedule based on the number of proposals received and other factors. Bidders will be notified in writing of any schedule changes.

The contracts resulting from this solicitation will include PG&E's General Conditions [See Exhibit 1] and the Bidder's proposed specific conditions, as

modified in negotiations with PG&E. Bidder may request exceptions to terms in PG&E's General Conditions in response to Attachment 11. If PG&E and Bidder cannot reach agreement on Bidder's requested exceptions to PG&E's General Conditions within ten (10) business days of PG&E's written response to Bidder's requested General Condition exceptions, PG&E will exclude Bidder's proposal from further consideration.

The contract will also contain specific conditions. Bidder's proposed draft scope of work submitted in response to Attachment 5 will form the basis for the specific conditions. PG&E may ask the Bidder to clarify or provide more detail about all or part of the proposed scope of work. Bidders are required to respond to all PG&E questions, and provide all requested additional detail, within three (3) business days of receiving PG&E's questions. If Bidder does not do this, PG&E will exclude Bidder's proposal from further consideration. PG&E may also request that Bidder add or delete certain tasks, or ask Bidder to make certain changes to the scope. Bidder may decline to make PG&E-requested changes. If PG&E and Bidder are unable to agree on any scope changes within ten (10) business days from the date that PG&E first notifies Bidder of any requested scope changes, PG&E will exclude Bidder's proposal from further consideration.

Once PG&E and Bidder have agreed to the General Conditions and Specific conditions, Bidder shall return the signed contract to PG&E within three (3) business days. If Bidder does not return signed contract to PG&E within three (3) business days of receiving the completed contract from PG&E, PG&E will exclude Bidder's proposal from further consideration.

B. SUBMISSION REQUIREMENTS

Bidders are required to complete and submit Attachments 1-12, described in more detail below.

- ATTACHMENT 1: COMPANY AND EMPLOYEE INFORMATION
- ATTACHMENT 2: REFERENCES
- ATTACHMENT 3: LICENSE AND INSURANCE INFORMATION
- ATTACHMENT 4: PROPOSAL DESCRIPTION/SUPPLEMENTAL INFORMATION
- ATTACHMENT 5: PROPOSED SCOPE OF WORK/PAYMENT SCHEDULE
- ATTACHMENT 6: PEAK DEMAND REDUCTION CALCULATION TEMPLATE
- ATTACHMENT 7: PROPOSED MEASUREMENT AND EVALUATION PLAN
- ATTACHMENT 8: COST-EFFECTIVENESS INPUT VALUE TEMPLATE
- ATTACHMENT 9: PERFORMANCE INCENTIVE MECHANISM TEMPLATE
- ATTACHMENT 10: SUPPLIER DIVERSITY PROGRAM
- ATTACHMENT 11: REQUESTED EXCEPTIONS TO PG&E'S CONSULTING SERVICES GENERAL CONDITIONS

ATTACHMENT 12: SIGNATURE PAGE

If Bidder fails to submit any required information requested in the attachments, PG&E reserves the right to disqualify Bidder's proposal. Alternatively, PG&E may ask Bidder for clarification of, or additional detail on, Bidder's proposal. Bidder must respond in writing within three (3) business days to PG&E's questions or requests for additional information, or PG&E will exclude Bidder's proposal from further consideration. However, PG&E, at its sole discretion, may review and evaluate proposals and award contracts based solely on the materials contained in the Bidder's proposal.

Proposal Form

Bidder shall submit proposals as follows:

- Bidders must submit the original and TWELVE (12) copies of each proposal. Each proposal must be on recycled 8½ x 11 paper. PG&E prefers, but does not require, that proposals be double-sided.
- In addition, Bidder shall also submit three (3) electronic copies of the detailed scope of work, Attachment 5. Each copy should be on a 3.5 inch floppy disk in Microsoft Word format. PG&E prefers that Bidder use MS Word for Windows 95, Version 7.0, but alternative versions of MS Word are permissible if Bidder does not have access to this version.

1. Company and Employee Information

Bidders must submit company and key employee information.

2. References

Bidders must submit three (3) references for work related to the work Bidder proposes in response to this solicitation.

3. License and Insurance Information

Bidders must submit its business license, and certificate of insurance for the required coverage specified in PG&E's General Conditions.

4. Proposal Description/Supplemental Information

In this section, Bidder should generally describe the proposal in no more than three pages. Bidder is also invited, but not required, to provide any supplemental information that it thinks PG&E should consider in evaluating Bidder's proposal. Bidder may wish to address the feasibility of the proposal, describe the strength of its company or team, or why its proposal will be successful in achieving the primary goals of this solicitation, which is to relieve peak generation shortages and

transmission and distribution constraints. Bidder shall limit supplemental information to no more than three (3) pages.

5. Proposed Scope of Work/ Payment Schedule

Detailed Work Scope

Bidder shall provide a detailed scope of work in response to this Attachment. This detailed scope of work will form the basis of the contract specific conditions. The scope of work shall contain detailed descriptions of work that describe the individual tasks that Bidder proposes to complete (Task Descriptions). After each Task Description, Bidder shall list proposed deliverables (such as meetings, measures installed, inspections, reports, brochures, training materials, training classes, etc.) and due dates that clearly correspond to each deliverable. Bidder should strive to provide a clear, detailed scope in response to this section to minimize the time that PG&E and Bidder will spend on contract negotiations. PG&E may require Bidder to add additional detail to the scope of work if in PG&E's judgment additional detail is necessary to describe the work to be done.

Payment Schedule

Bidders must propose contract not-to-exceed amounts for each task, plus a total contract maximum. For each task, Bidders must also provide a detailed cost breakdown, including estimated labor hours and rates, and materials costs. PG&E may negotiate task and contract not-to-exceed amounts with Bidder. If PG&E and Bidder cannot agree on task or contract not-to-exceed amounts within ten (10) business days of PG&E's initial written request for changes or clarifications on PG&E's scope, PG&E will exclude the Bidder's proposal from further consideration. The contract will be structured as a time and materials contract, with not-to-exceed amounts by task, and will include a contract maximum. As described in Attachment 9, PG&E will withhold 10% of each payment due Bidder until after the final Measurement and Evaluation, which will occur after October 31, 2001.

6. Peak Demand Reduction Calculation Template

Bidders must propose Peak Demand Reduction during 2001, and describe the basis for the proposal. Bidder must also describe persistence of savings past 2001. PG&E will only consider proposals in which savings will persist at least through October 31, 2001.

7. Proposed Measurement and Evaluation Plan

Bidders must propose a Measurement and Evaluation plan that PG&E can use to determine Peak Demand Reduction achieved during 2001 using an independent contractor.

8. Cost-Effectiveness Input Value Template

Bidders must submit the information contained in this template so that PG&E can perform a cost-effectiveness analysis of the project. PG&E will calculate cost-effectiveness according to the ratio derived from the Utility Cost (UC) test. Proposals need not achieve a minimum threshold UC to be considered. However, proposals with higher UC ratios will receive more points in the bid evaluation process than proposals with lower UC ratios.

9. Performance Incentive Mechanism Template

In addition to being compensated for time and materials, as set forth in the fully executed contract, successful Bidders will be eligible for a performance incentive for achieving contracted Peak Demand Reductions in May 2001. The purpose of the performance incentive mechanism is to encourage successful Bidders to deliver the highest Peak Demand Reductions in 2001 possible. Bidders will be rewarded for Peak Demand Reductions achieved in 2001 according to the Performance Incentive Mechanism described in this attachment. While PG&E has structured the overall mechanism so that it is the same for all Bidders, Bidders are asked to supply the dollar value per kW savings.

Bidders who fail to achieve the contracted Peak Demand Reductions will be required to pay liquidated damages to PG&E, as actual damages will be difficult to calculate. If Bidders fail to deliver contracted Peak Demand Reductions, PG&E will reduce contract payments as determined according to the formula established by the Performance Incentive Mechanism. Liquidated damages will not exceed 10% of the contract price.

10. Supplier Diversity Program

Per CPUC General Order 156, Bidders must supply information on its WMDVBE status and subcontracting plans. PG&E will consider this information in evaluating bids, and will award greater points to vendors who have WMDVBE status, or adequate WMDVBE subcontracting plans. A completed Subcontracting Plan consisting of either a List of Subcontractors (Exhibit 1-A of the General Conditions) or a statement setting forth the Bidder's goals for WMDVBE subcontracting. The Bidder shall submit its CPUC WMDVBE certification documentation if Bidder

claims WMDVBE status. All vendors, regardless of their WMDVBE status, will be eligible to earn the same number of points in this category. PG&E's supplier diversity program is described in more detail in Exhibit 1 of PG&E's General Conditions.

11. Requested Exceptions to PG&E's General Conditions

All contracts must contain PG&E General Conditions. Bidder's standard terms and conditions, as well as standardized acknowledgment forms, will not be acceptable.

If Bidder takes exception to any provision in Exhibit 1, Bidder must identify it as an "Exception(s) to the General Conditions," and must provide the following information:

- details of any exceptions taken by the Bidder to the General Conditions;
- reasons for such exceptions; and
- proposed alternative language (See Attachment 11).

Failure to include a statement of acceptance of PG&E's General Conditions or to detail any exceptions to the General Conditions and provide proposed alternative language will cause the Bidder's proposal to be considered non-responsive.

PG&E will consider the nature and extent of the requested exceptions to PG&E's General Conditions when selecting the successful Bidder(s).

12. Signature Page

Bidder's authorized representative is required to sign the signature page contained in this appendix. PG&E will not enter into a contract with any entity other than the party identified as the Bidder in the proposal package.

C. PROPOSAL SUBMISSION AND DELIVERY ADDRESS

All proposal packages must be delivered to the address below by **2:00 p.m., PDT, on Friday, August 25. Faxed proposals will not be accepted. To ensure fairness, proposals received after this deadline will not be accepted and will be returned unopened.** PG&E will date stamp and log in the proposal packages as they are received.

First Class Mail:

Pacific Gas and Electric Company
Attn: Sharon Stone
P.O. Box 770000, Mail Code H28E

San Francisco, California 94177

Overnight mail or hand delivery: Sharon Stone
Pacific Gas and Electric Company
123 Mission Street, Room H2485
San Francisco, California 94105
415/973-4388

Due to the possibility of delays, PG&E recommends an expedited delivery service.

D. ERRORS OR OMISSIONS IN PROPOSAL PACKAGES

A Bidder that discovers an error or omission in its proposal package may withdraw that proposal package and resubmit, provided that it does so before the bid due date as specified above.

E. VERIFICATION OF RECEIPT OF PROPOSAL PACKAGE

It is the Bidder's sole responsibility to ensure that its proposal package is received by PG&E at the designated proposal delivery address by the close of the solicitation period as specified in this RFP. Bids that are delivered to a different PG&E location will not be accepted. Proof of timely delivery (e.g., return receipt for certified, registered or overnight mail) must be obtained by the Bidder for each proposal package submitted

F. PROPOSALS NOT CONFIDENTIAL

PG&E will not keep either the proposals responding to this RFP nor any contracts entered into as part of this solicitation confidential. Furthermore, PG&E will have no liability to a Bidder or other party as a result of any public disclosure of any proposal or contract.

G. PROPOSAL PREPARATION COSTS

PG&E shall not reimburse any Bidder for any cost incurred in the preparation or submission of a proposal package and/or in any negotiations regarding the contract. This RFP does not, in any way, obligate PG&E to award a contract, to pay any costs incurred in the preparation of a proposal to this request, or to procure or contract for services or supplies. This proposal is not a guarantee of work.

H. RFP WITHDRAWAL

PG&E reserves the right to withdraw this RFP at any time before

executing final contracts with Bidders. PG&E may accept or reject any or all responses, and may accept other than the lowest price proposed. PG&E will not be liable, by reason of such withdrawal or rejection, to any Bidder submitting a proposal in response to this RFP. PG&E may award only part of total program funds.

6.0 EVALUATION CRITERIA

In addition to the requirements for proposal submission above (Section 5.0 b, Submission Requirements), PG&E will evaluate proposals based on a combination of factors including, but not limited to, those listed below. The order of appearance of the factors is not related in any way to the importance, ranking, or weighting that will be used in the evaluation.

A. Magnitude of Peak Demand Reductions

Proposals will receive greater points for greater proposed Peak Demand Reductions in 2001. PG&E will also consider persistence of kW and kWh savings past 2001.

B. Feasibility of Proposal, Including Likelihood that Bidder Will Achieve Proposed Peak Demand Reductions

PG&E will judge the feasibility of the proposal, including whether Bidder is likely to be able to achieve the Peak Demand Reductions. PG&E will evaluate the reasonableness of Bidder's estimates, data and assumptions used to derive the proposed Peak Demand Reductions.

C. Measurement and Evaluation Plan

PG&E will evaluate the proposed measurement and evaluation plan. Those plans which PG&E judges will adequately measure actual Peak Demand Reductions in 2001 will receive greater points than those which PG&E judges will not adequately measure Peak Demand Reductions.

D. Capability and Experience of Proposed Team

PG&E will evaluate the capability and experience of the team and company in areas related to Bidder's proposal.

E. Cost-Effectiveness Ratio

Using information supplied by the Bidder, PG&E will calculate a Cost-Effectiveness ratio using the Utility Cost (UC) test. Proposals with a UC ratio of less than one will not be excluded. However, PG&E will give greater points to those proposals with higher UC ratios.

F. Women/Minority/Disabled Veteran-Owned Business Enterprises (WMDVBEs)

It is PG&E's policy that WMDVBEs shall have the maximum practicable opportunity to participate in the performance of its contracts and/or purchase orders. Therefore, as a company that supplies goods and/or services to PG&E, Bidder shall comply with PG&E's policy to the fullest extent possible, and consistent with the efficient performance of a contract (see Attachment 10). Bidders are encouraged to indicate how they promote supplier diversity as part of their business.

G. Nature and Extent of Requested General Condition Exceptions

PG&E will award greater points to Bidders who request no or few exceptions to PG&E's General Conditions.

7.0 CONTRACT NEGOTIATIONS

After PG&E selects a successful Bidder(s), PG&E will commence contract negotiations with the selected Bidder(s). PG&E reserves the right to cease negotiations with any Bidder and instead select an alternate Bidder if PG&E and the original Bidder are unable to agree on contract terms and conditions within the time set forth in this RFP.

PG&E DOES NOT GUARANTEE A CONTRACT TO ANY BIDDER.

8.0 CONTRACTOR VALUES

PG&E places high value on our customers, employees and shareholders; the environment; safety; continuous improvement; and conducting business in an ethical manner, as detailed in Exhibit 2, Contractor Values.

9.0 NON-DISCLOSURE AGREEMENT

Bidders are not guaranteed access to PG&E Proprietary or Trade Secret information, including, but not limited to, customer data. However, if PG&E does grant Bidder access to such information, Bidder and Bidder's employees and subcontractors will be required to sign PG&E's non-disclosure agreement attached as Exhibit 3.

10.0 NON-EXCLUSIVITY

THE PARTIES AGREE THAT THIS RFP WILL NOT ESTABLISH AN EXCLUSIVE CONTRACT BETWEEN PG&E AND BIDDER NOR CONSTITUTE A COMMITMENT BY PG&E, WHETHER EXPRESS OR IMPLIED, TO

CONTRACT. PG&E EXPRESSLY RESERVES ALL ITS RIGHTS, INCLUDING BUT NOT LIMITED TO THE FOLLOWING: THE RIGHT TO UTILIZE OTHERS TO PERFORM OR SUPPLY WORK OF THE TYPE CONTEMPLATED BY THIS RFP; THE RIGHT TO REQUEST PROPOSALS FROM OTHERS WITH OR WITHOUT REQUESTING PROPOSALS FROM BIDDERS FOR WORK OF THE TYPE CONTEMPLATED BY THIS RFP, AND THE UNRESTRICTED RIGHT BY PG&E TO RE-BID OR PERFORM ANY SUCH WORK.

ATTACHMENT 1
COMPANY AND EMPLOYEE INFORMATION

I. General Information

A. Bidder Information

Company Name		
Street Address		
Mailing Address		
City	State	Zip Code
Telephone		
Fax Number		

B. Contact

Contact Name		
Mailing Address		
City	State	
Zip Code		
Telephone		
Fax Number		
E-Mail Address		

C. Business Information

Nature of Business
Ownership Structure (e.g. Partnership, Proprietorship, Joint Venture)
Date Business Formed
Parent Company (If any)
Affiliates (If any)
Subsidiaries (If any)
Is company a for profit company or an Internal Revenue Service 501 (c) (3)-qualified nonprofit?

D. Management

List of All Personnel Managing and Controlling the Company

E. Employees

Total Permanent Employees
Total Peak Manpower on a Single Project (Largest)
Total Number of Employees Proposed for Program Development
Total Number of Employees Proposed for Program Implementation

- F. Attach separately a brief summary of the responsibilities, experience and qualifications for each of the Bidder's implementation team members.

- G. Provide the company's most recent audited income statement and balance sheet.

ATTACHMENT 2 REFERENCES

1. Provide three references for work performed in the past three (3) years that is related to the work Bidder proposes to do in response to this solicitation.
2. Include the following information for each reference included:
 - Reference Name
 - Title
 - Company
 - Mailing Address
 - Telephone
 - Explanation of how Bidder's work for reference relates to work that Bidder proposes.

ATTACHMENT 3
LICENSE AND INSURANCE INFORMATION

1. License - Include a copy of Bidder's business license.
2. Insurance – Include a certificate of insurance for the required coverage specified in the Consulting Services General Conditions.

ATTACHMENT 4
PROPOSAL DESCRIPTION/SUPPLEMENTAL INFORMATION

Proposal Description

In this section, Bidder should provide a narrative description of the proposal in no more than three pages. In addition, this section should include descriptions of programs or initiatives similar to Bidder's proposal if Bidder is aware of any. The description should state the KW savings achieved by the previous program or initiative, if Bidder has access to such information. Finally, Bidder should describe any assistance it wishes from PG&E, other than financial assistance, to make the program successful in achieving kW savings.

Supplemental Information

In this section, Bidder is also invited, but not required, to provide any supplemental information that it thinks PG&E should consider in evaluating Bidder's proposal. Bidder may wish to describe the strength of its company or team, or why its proposal should be included in the list of proposals implemented statewide to mitigate generation shortages and transmission and distribution constraints. Bidder shall limit supplemental information to no more than three (3) pages.

ATTACHMENT 5 PROPOSED SCOPE OF WORK/PAYMENT SCHEDULE

In response to this section, Bidder is required to provide a detailed scope of work in the form described below. It shall be organized into tasks, deliverables for each task, and due dates for each deliverable. At the end of the scope of work, Bidder shall propose not-to-exceed amounts for each deliverable.

The scope of work shall contain detailed descriptions of individual tasks that Bidder proposes to complete (Task Descriptions). After each Task Description, Bidder shall list proposed deliverables (such as measure installations, meetings, reports, brochures, training materials, training classes, etc.) and proposed due dates for each deliverable.

Bidder's scope of work shall be in the following form:

1. Task 1: [Title of Task 1]

Bidder shall provide detailed description of work to be done in Task 1.

Deliverable 1:

Due Date for Deliverable 1:

Deliverable 2:

Due Date for Deliverable 2:

2. Task 2: [Title of Task 2]

Bidder shall provide detailed description of work to be done in Task 2.

Deliverable 1:

Due Date for Deliverable 1:

Deliverable 2:

Due Date for Deliverable 2:

Bidder shall list all proposed deliverables associated with each task.

Bidder's response to this section will form the basis of the Specific Conditions of the contract with PG&E if PG&E selects Bidder, and PG&E and Bidder successfully conclude negotiations.

ATTACHMENT 6

PEAK DEMAND REDUCTION CALCULATION TEMPLATE

Bidder shall provide the following:

- Proposed Peak Demand Reduction starting in May 2001; and
- Persistence of the savings past October 2001.

The purpose of this section is for Bidder to explain expected Peak Demand Reduction in 2001. Bidder shall also explain the persistence of those savings. Bidder must explain in detail how it calculated the proposed Peak Demand Reduction, and any assumptions that it made, or data that it used, to calculate the Peak Demand Reduction. Bidders should also state the source of any data it uses. For example, if Bidder proposes to install Energy Efficiency measures, Bidder should describe the measure and explain previous actual savings that have been achieved using the measure, if known. It should explain how widely the measure is commercially available and currently used in the market. If Bidder knows of any reliability or safety issues associated with the measure, it should describe these.

If Bidder proposes to implement a program, but not directly install the measures itself, Bidder should explain how the program will result in Peak Demand Reduction. If the proposal relies on a marketing, advertising, or an educational campaign, Bidder should explain what evidence it has that such a campaign will result in changes in behavior, and how widespread and persistent these changes are. If market research data is not available to support Bidder's assumptions about the likely effectiveness of the advertising, marketing or educational campaign, Bidder should fully explain the basis for its beliefs about the likely success of the campaign. If the proposal relies on providing financial incentives to increase purchase or use of Energy Efficiency measures, Bidder should explain what evidence it has that proposed incentive levels are adequate to lead to behavior changes, and how Bidder calculated proposed incentive levels. If proposal relies on other techniques to achieve Peak Demand Reduction, Bidder should clearly explain all assumptions it has made, and all market or other data that it has which supports Bidder's view that proposal is feasible and will achieve the desired savings in 2001.

In responding to this section, Bidder should rely on actual measured savings rather than engineering calculations whenever possible. If Bidder must rely on engineering calculations, it should provide calculations and explain and provide all input values and assumptions used. Bidder should also rely on actual market research to explain likely behavior changes,

and provide citations for such research. If market research is not available, Bidder shall describe in detail the basis for its belief, absent market data, that desired behavior changes will result from Bidder's program.

ATTACHMENT 7 PROPOSED MEASUREMENT AND EVALUATION PLAN

Bidder should propose a Measurement and Evaluation (M&E) plan that will be used to determine Peak Demand Reduction from Bidder's program in 2001. The M&E Plan should, at a minimum, include:

- Determination of baseline before Bidder implements proposal;
- Confirmation that program is fully in place by May 2001, and yielding full kW savings; and
- Confirmation that kW savings persist through October 31, 2001.

The M&E plan should not cost more than 20% of the Bidder's total contract price. PG&E will hire and pay an independent contractor to perform the Measurement and Evaluation according to the final M&E plan. The data to be collected and analysis performed under the M&E plan will vary depending on Bidder's proposal. Furthermore, PG&E reserves the right to request changes, deletions, or other modifications to Bidder's proposed M&E plan. If PG&E and Bidder cannot agree on the final M&E plan within ten (10) business days of the date when PG&E first notifies Bidder of any scope or other changes, PG&E will exclude Bidder's proposal from further consideration. PG&E provides some guidelines below for the M&E plans:

M&E For Measure Installation

Bidder shall explain whether M&E for measure installation shall be based on measured savings or engineering calculations. For measured savings, Bidder shall explain how it will perform baseline pre-installation inspections and measurements to determine existing equipment, and energy use and demand of existing equipment. Bidder shall explain how post-installation inspections should be performed to verify installation of energy efficient or load management equipment, and the demand and energy savings from the new equipment. If Bidder believes that pre- and post- inspections should only be performed on a sample of, rather than all, installations, Bidder should describe appropriate sampling method.

M&E For Advertising, Marketing or Educational Campaigns

Bidder shall explain the market research methodology that will be used to determine increased awareness from the campaign, and actual change in behavior resulting from the campaign. Bidder shall explain how many

consumers should be contacted as part of the research to yield statistically significant results.

M&E for Financial Incentive Programs

Bidder shall explain how it will verify that consumers who received financial incentives were actually eligible for the incentives. For example, if program rewards participants for purchasing energy efficiency goods or services, how should the M&E plan verify that the consumer actually purchased and installed the targeted goods and services? If the program rewards participants for shifting energy use to non-peak periods, how will the plan verify that energy use was in fact shifted as claimed?

M&E for Programs Not Described Above

Bidders may propose programs that are not described above. Bidders shall describe in detail the M&E plan that will verify whether proposed Peak Demand Reduction materialized.

ATTACHMENT 8

COST-EFFECTIVENESS INPUT VALUE TEMPLATE

PG&E will calculate the cost-benefit ratio for each responsive proposal submitted using the Utility Cost test. So that PG&E can perform this calculation, Bidder shall submit the following information for both electric and gas savings:

1. Measure/End Use. Measure descriptions should be very specific, such as Air Conditioner Downsizing, Electric and Heat Pump Heating, Electric Cooling/Heating, Energy Management System, Evaporative Cooling, Window Glazing, Heat Pump Cooling, HVAC, Indoor Lighting, Outdoor Lighting, Non-Process Boilers, Clothes Dryer, Ducts, Food Service Technology, Motors, Process, Process Boilers, Pumping, Refrigeration, Traffic Signal Technologies, Water Heating, Weatherization, Residential Cooking, Residential Heat Pump.
2. Program Type shall be either retrofit or new construction.
3. Market Sector Code shall be either Residential, Industrial, Commercial and/or Agricultural.
4. Administrative Costs are Bidder's costs to implement the proposal, such as Bidder's labor costs, and marketing and advertising costs.
5. Incentive Costs are costs that Bidder gives participant as an incentive to participate in the program. Incentive costs are usually a portion of the total measure cost.
6. Peak Demand Reductions are as defined in this solicitation in Section 2.4.
7. kWh savings in 2001 are Bidder's proposed kWh savings in 2001 compared to standard efficiency measures.
8. Measure Life is expected life of measure (in years).

ATTACHMENT 9

PERFORMANCE INCENTIVE MECHANISM TEMPLATE

Introduction

Bidders will be rewarded for achieving contracted Peak Demand Reductions in 2001. Bidders will receive an additional payment, the "Performance Incentive", if they meet or exceed the contracted Peak Demand Reductions. However, the Performance Incentive shall not exceed 10% of Bidder's total contract price. In addition, Bidders will be required to pay liquidated damages if Bidder fails to achieve contracted Peak Demand Reductions in 2001. Liquidated damages shall not exceed 10% of the total contract price.

PG&E will withhold 10% of each payment due contractor until after the final Measurement and Evaluation, which will occur after October 31, 2001. Depending on the results of the final Measurement and Evaluation, PG&E will either use the withheld contract payments to cover the liquidated damages, and give Bidder any remaining amounts that are not used to cover liquidated damages, or will give Bidder the full amount of the withheld contract payments if no liquidated damages are due, plus the entire amount of the Performance Incentive.

Performance Incentive

If Bidder achieves or exceeds Peak Demand Reduction stated in Bidder's contract by May 2001, as determined according to the final M&E plan, Bidder shall earn a Performance Incentive equal to:

Actual Peak Demand Reduction multiplied by Performance Multiplier

Where:

Actual Peak Demand Reduction = Actual Peak Demand Reduction achieved in 2001 as measured using the PG&E-approved final M&E plan, and as determined by an PG&E-hired independent contractor.

Contracted Peak Demand Reduction = Peak Demand Reduction stated in Bidder's contract.

Performance Multiplier = Bidder proposed, and PG&E-approved, multiplier that will be used in calculation of the Performance Incentive. Bidder shall propose this multiplier in response to this solicitation.

Liquidated Damages

If Bidder does not achieve or exceed contracted Peak Demand Reduction in 2001, as determined according to the M&E plan, Bidder shall not earn a Performance Incentive. If Bidder does not achieve contracted Peak Demand Reduction, then it will be exceedingly difficult to determine actual damages. Thus, PG&E and Bidder agree that the liquidated damages calculated according to the formula below are a reasonable approximation of damages which PG&E may incur. Bidder shall receive a reduction in contract payments equal to:

(Contracted Peak Demand Reduction minus Actual Peak Demand Reduction) multiplied by Performance Multiplier.

Bidder's Proposed Multiplier (\$/kW) = _____

PG&E reserves the right to request modification to Bidder's Proposed Multiplier. If PG&E and Bidder can not reach agreement on final Proposed Multiplier to be included in Bidder's contract within ten (10) business days of PG&E first notifying Bidder in writing of requested changes to Bidder's contract, PG&E will exclude Bidder's proposal from further consideration.

ATTACHMENT 10
SUPPLIER DIVERSITY PROGRAM

It is PG&E's policy that Women, Minority, and Disabled Veteran Business Enterprises (WMDVBEs) shall have the maximum practicable participation in providing the products and services it purchases.

For all contracts, the contractor must agree to comply, and to require all subcontractors and sub-subcontractors to comply, with PG&E's Supplier Diversity Program policy, as herein described. The contractor shall provide each prospective subcontractor a copy of this Attachment 10.

For all contracts, the contractor shall act in accordance with the Subcontracting Plan in the performance of the work and in the award of all subcontracts.

WMDVBE SUBCONTRACTING

Contractor agrees to comply with the Supplier Diversity Program as outlined herein. Contractor shall strive to meet or exceed PG&E's Supplier Diversity goals and to maximize the use of women, minority and disabled veteran business enterprises for all procurement. PG&E's WMDVBE goals for the Third Party Proposal Program are:

MBE:	15%
WBE:	5%
DVBE:	1.5%

To achieve those goals, Contractor will take the following steps to ensure the participation of women, minority and disabled veteran business enterprise:

- Ensure that the any Third Party Proposal subcontractor selection process includes and encourages women and minority owned firms.
- Include WMDVBE status as part of the proposal evaluation process.
- Include equal opportunity purchasing policies in all subcontracts.

Contractor shall conduct outreach to identify and qualify new WMDVBE subcontractors for work. Contractor's outreach shall include, but not be limited to:

- Notifying community based organizations and WMDVBE organizations such as the Hispanic, Black and Asian Chambers of Commerce, Women Construction Owners Association, National Minority Supplier Development Council and Greening Institute;
- Providing potential subcontracts with work specifications at informational meetings;
- Working with PG&E to reduce barriers to WMDVBE subcontractors' participation as qualified Bidders.

CONTRACTOR AND SUBCONTRACTORS OF ALL TIERS MUST COMPLY WITH PG&E'S SUPPLIER DIVERSITY POLICY IN THE AWARD OF ALL SUBCONTRACTORS AND SUB-SUBCONTRACTS. This policy requires that Women, Minority and Disabled Veteran Business Enterprises (WMDVBEs) shall have the maximum practicable opportunity to participate in the performance of the work.

Contractor shall provide, along with Contractor's proposal, a separate, signed Subcontracting Plan consisting of either: (i) a specific list of subcontractors and sub-subcontractors who will participate in the performance of the work, on the form attached as Exhibit 1-A; or (ii) a statement setting forth the contractor's goals for WMDVBE subcontracting of all tiers and setting forth such additional good faith efforts that contractor, subcontractors and sub-subcontractors will employ to increase the participation of WMDVBE in the performance of the work.

In the case where contractor has not submitted a specific list of subcontractors and sub-subcontractors with contractor's proposal, prior to requesting bids for any subcontract or sub-subcontract, contractor, subcontractor and sub-subcontractor shall submit to the PG&E Negotiator or Contract Administrator a list of prospective WMDVBEs that will be invited to compete for such subcontracts on the form attached as Exhibit 1-A.

Additionally, with each application for payment, contractor, subcontractors, and sub-subcontractors shall submit an updated List of Subcontractors/Subsuppliers and Disbursement Record with a current accounting of actual subcontractor payments as of the date of the invoice (Exhibit 1-A, column 6).

ATTACHMENT 11
REQUESTED EXCEPTIONS TO PG&E'S CONSULTING SERVICES
GENERAL CONDITIONS

Contracts with Bidders will include PG&E's General Conditions. Bidder must specify either: 1) the Bidder's acceptance of the conditions stated; or 2) details of any exceptions taken by the Bidder to the General Conditions and the reasons for such exceptions and the proposed alternative language. Bidders should also indicate which sections it wishes to delete in entirety. Finally, Bidders should provide language for any new sections it wishes to add.

PG&E will consider the nature and extent of any requested changes, deletions or modifications when it is evaluating and selecting winning Bidder(s).

Failure to include a statement of acceptance or to detail any exceptions and provide proposed alternative language shall cause the Bidder's submission to be considered non-responsive.

**ATTACHMENT 12
SIGNATURE PAGE**

By signing this document I, _____, certify that:

1. I am the authorized representative of the Bidder and am qualified to bind Bidder to this bid;
2. The information on Bidder's proposal package is true and correct. I understand that Bidder's submission of misleading, untrue, or incorrect information will be grounds for disqualifying all of Bidder's bids in this solicitation.
3. I agree that, if PG&E awards Bidder a contract, the Bidder will perform the work diligently and in accordance with the contract.

Signed this _____ day of _____(month), in
_____(town/city, state).

BIDDER: _____

BY: _____

TITLE: _____

ADDRESS: _____

DATED: _____

EXHIBIT 1
PG&E CONSULTING GENERAL CONDITIONS

Please contact PG&E's official contact for this solicitation, to get the
PG&E Consulting General Conditions:
Sharon Stone 415-973-4388

EXHIBIT 2
CONTRACTOR VALUES

Please contact PG&E's official contact for this solicitation, to get the
statement of Contractor Values:
Sharon Stone 415-973-4388

EXHIBIT 3
PG&E NON-DISCLOSURE AGREEMENT

Please contact PG&E's official contact for this solicitation, to get a copy of
the PG&E Non-Disclosure Agreement:
Sharon Stone 415-973-4388